

FISCAL YEAR 2004 SUPPLEMENTAL FUNDING PROPOSAL

for the

CLEAN MICHIGAN INITIATIVE BOND FUND



Jennifer M. Granholm, Governor
Steven E. Chester, Director
www.michigan.gov/deq



Michigan Department of Environmental Quality
Remediation & Redevelopment Division

Appropriation made under Public Act 309 of 2004

March 2004

FISCAL YEAR 2004 CLEAN MICHIGAN INITIATIVE APPROPRIATION SUPPLEMENTAL FUNDING PROPOSAL

The Department of Environmental Quality (DEQ) receives funding from the Clean Michigan Initiative bond fund (CMI) to implement its cleanup and redevelopment program. This document outlines the DEQ's proposed Fiscal Year 2004 (FY04) CMI cleanup program. It includes:

- The DEQ's request for FY04 funds for the Remediation & Redevelopment Division's (RRD) Cleanup and Redevelopment Program.
- The DEQ's request for FY04 funds for the Environmental Science and Services Division's (ESSD) Brownfield Grant and Loan Program.
- The DEQ's list of proposed FY04 cleanup sites that will be funded with CMI.

The CMI is created under Section 6(1) of Part 196, Clean Michigan Initiative Implementation, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA). It is a \$675 million general obligation bond. Funding is being requested from the "response activities at facilities" category contained in Section 7(1)(a) of Part 196 of the NREPA. The primary objective of the \$335 million "response activities at facilities" element of the CMI is to clean up contaminated sites to promote redevelopment. Successful brownfield redevelopment reduces urban sprawl and development pressures on open space and farm land. The \$335 million is to be used as follows:

- One hundred fifty-three million dollars (\$153 million) is to be used to cleanup contaminated sites to promote redevelopment.
- Seventy five million dollars (\$75 million) is for grants and loans to local units of government for response activities at known or suspected contaminated properties that have redevelopment potential.
- Fourteen million dollars (\$14 million) is for grants to local units of government to assist with remedial costs at municipal solid waste landfills they owned or operated which are on, or nominated for, the federal National Priorities List (i.e., the Superfund list).
- Ninety three million dollars (\$93 million) is to be used at contaminated facilities that pose an imminent or substantial endangerment to the public health, safety, or welfare or to the environment.

FY04 DEQ Funding Request

For FY04 the DEQ is seeking an appropriation of \$54,565,000 from the CMI for cleanup programs in the RRD and the ESSD as shown in the following table:

Division	Program	Amount
RRD	Cleanup and Redevelopment Program	\$24,565,000
ESSD	Brownfield Loan Program	\$15,000,000
ESSD	Brownfield Grant and Loan Program	\$15,000,000
	Total FY04 CMI Request	\$54,565,000

RRD CLEANUP AND REDEVELOPMENT PROGRAM

The RRD is responsible for the implementation of the state environmental cleanup program under Parts 196, CMI Implementation, and 201, Environmental Remediation, of the NREPA. CMI bond funds, under Section 8 of Part 196 of the NREPA, are to be used for response activities undertaken at facilities pursuant to Part 201 of the NREPA to address public health and environmental problems or to promote redevelopment.

The RRD is also responsible for the protection of the public health, the environment, and the natural resources of the state from releases and fire safety hazards associated with underground and aboveground storage tanks through education, innovation, pollution prevention, remediation, and compliance activities. The RRD performs activities associated with law and rule requirements for certain underground storage tanks (USTs) and aboveground storage tanks (ASTs). These requirements are under the Michigan Fire Prevention Code, 1941 PA 207, as amended, and the following sections of the NREPA: Part 211, Underground Storage Tank Regulations (UST); Part 213, Leaking Underground Storage Tanks (LUST); and Part 215, Underground Storage Tank Financial Assurance (MUSTFA).

FY04 RRD Funding Request

Under Section 8(7) of Part 196 of the NREPA, the DEQ must seek an annual appropriation from the CMI. As part of this request, the DEQ must submit a list of the cleanup project sites where it is proposing to expend funds along with the following information for each site: county, nature of activities planned, and estimated cost of these activities.

For FY04, the DEQ is seeking an appropriation of \$24,565,000 from the CMI for the Cleanup and Redevelopment program in the RRD. This document provides program information and lists of the proposed RRD CMI cleanup projects. The RRD proposes the following projects and total project costs for FY04 CMI projects, pursuant to Sections 8(1)(a)(ii), (iii), and (iv) of Part 196 of the NREPA:

PROJECT TYPE	NUMBER OF PROJECTS	ESTIMATED PROJECT COSTS
REDEVELOPMENT PROJECTS <i>Projects that are being proposed because the sites have redevelopment potential.</i>	11	\$13,705,000
ENVIRONMENTAL PROJECTS <i>Projects that are being proposed because the sites have an imminent or substantial endangerment to public health and/or an environmental problem.</i>	34	\$10,860,000
TOTALS	45	\$24,565,000

A summary of the number of projects and estimated costs—by county—for the 45 projects is provided in the table on the following page.

**FY04 RRD CLEANUP PROJECTS – CMI
PROPOSED FUNDING BY COUNTY**

County	Amount Proposed	Number of Sites	County	Amount Proposed	Number of Sites
Arenac	\$160,000	3	Marquette	\$500,000	1
Berrien	\$150,000	1	Midland	\$60,000	1
Charlevoix	\$650,000	2	Monroe	\$3,000,000	1
Cheboygan	\$400,000	1	Montcalm	\$350,000	2
Chippewa	\$175,000	1	Muskegon	\$200,000	2
Clare	\$100,000	2	Oceana	\$250,000	1
Genesee	\$400,000	3	Osceola	\$1,400,000	1
Gladwin	\$50,000	1	Saginaw	\$100,000	2
Grand Traverse	\$100,000	1	St. Joseph	\$1,200,000	3
Houghton	\$200,000	1	Tuscola	\$125,000	1
Kalamazoo	\$4,600,000	2	Van Buren	\$750,000	1
Kent	\$250,000	1	Wayne	\$9,145,000	9
Lapeer	\$250,000	1			
Total 45 sites -- \$24,565,000					

The RRD CMI projects proposed for FY04 funding are described in the table “RRD FY04 Proposed CMI Redevelopment Projects,” which begins on page 5 and in the table “RRD FY04 Proposed CMI Imminent and Substantial Endangerment Projects,” which begins on page 7. The projects are listed in county order, with the following information provided for each site:

- **Site ID #** -- Number(s) used to identify the site within the state of Michigan.
- **Site Name and Address** -- The name used most commonly for the site, street address, and city in which the site is located.
- **County** -- The county in which the site is located.
- **New Site** -- This column indicates if this is the first time the site has been proposed by the RRD for state funding.
- **Cost Estimate** -- The estimated cost of the actions proposed for FY04.
- **Actions Needed** -- Actions planned to be conducted to remediate environmental issues or prepare the site for redevelopment.

ESSD BROWNFIELD GRANT AND LOAN PROGRAM

Thirty million dollars (\$30 million) are being requested, pursuant to Section 8(1)(iv) of Part 196 of PA 451, for grants (\$15 million) and loans (\$15 million) to local units of government and brownfield redevelopment authorities to implement response activities at known or suspected facilities with redevelopment potential. Grant and loan applications will be accepted and processed in a manner identical to site reclamation grants awarded pursuant to the 1988 environmental bond.

Projects for the brownfield grants and loans have not yet been selected. However, pursuant to Section 8(7) of Part 196, money appropriated under the CMI for grants and loans shall not be encumbered or expended until the department has reported the projects that have been approved for a grant or loan to the standing committees of the House of Representatives and the Senate that address natural resources and environmental protection and to the DEQ Senate and House appropriations subcommittees.

RRD FY04 PROPOSED CLEAN MICHIGAN INITIATIVE REDEVELOPMENT PROJECTS
(County Order)

Site ID ¹	Site Name and Address	County	New Site	Cost Estimate	Actions Needed
39000030	North 34th St Area Richland	Kalamazoo	No	\$3,600,000	This project includes removal of the sources of contamination and evaluation of an appropriate remedy to properly control the source of contamination and to promote redevelopment of the property. The local school plans to utilize the property for an athletic field.
39000140	Performance Paper 2030 Portage Street Kalamazoo	Kalamazoo	No	\$1,000,000	Proposed actions include demolition of three paper mill buildings, a powerhouse, and related structures totaling 481,043 square feet. The property is located in a Renaissance Zone and is included in the city of Kalamazoo's Brownfield Redevelopment Authority Plan.
41000072	Croff Salvage Yard 11887 Lincoln Lake Road Greenville	Kent	No	\$250,000	This property was an automobile salvage, scrap metal, and scrap tire operation located in a rural residential area. There is potential for contamination of residential wells and alternate water is not available. The proposed action is to conduct an investigation to define the extent of groundwater contamination and remove obstacles to redevelopment.
52000161	Pellestar 1201 County Road 492 Negaunee	Marquette	No	\$500,000	Proposed actions include decommissioning lagoon cells and addressing piles of solid waste and stained soils to promote redevelopment.
56000167 (00014290)	Griswold Service 2974 Saginaw Road Coleman	Midland	No	\$60,000	Proposed actions include defining the extent of contamination and evaluating and abating risks to public health to promote redevelopment.
58000002	Consolidated Packaging Corp 1521 East First Street Monroe	Monroe	No	\$3,000,000	Proposed actions include removal of polychlorinated biphenyl paper sludges to protect the River Raisin and promote redevelopment.
61000395 (00004793)	Five A Oil Company 908 Lakeview Whitehall	Muskegon	No	\$100,000	Proposed actions include addressing free phase petroleum that is seeping out of the ground presenting a direct contact exposure threat. Proposed actions will also promote redevelopment.
61000394 (50002544)	Rose Baker 251 West Broadway Muskegon	Muskegon	No	\$100,000	The building on the property is structurally unsafe and poses a physical threat. Proposed actions include building demolition and underground storage tank removal to promote redevelopment.

¹ The Storage Tank Information Database facility ID is provided in parentheses for Part 213 sites.

RRD FY04 PROPOSED CLEAN MICHIGAN INITIATIVE REDEVELOPMENT PROJECTS
(County Order)

Site ID ¹	Site Name and Address	County	New Site	Cost Estimate	Actions Needed
67000076	Osceola Refinery (former) 521 North Park Reed City	Osceola	No	\$1,400,000	Proposed actions include an investigation to define the extent of contaminated soils, free product, and lead. Also, the contamination source will be removed and/or treated to protect public health and promote redevelopment.
82001642	Detroit Multi-Site Building Demolition	Wayne	No	\$3,345,000	Proposed actions include removal of asbestos and storage tanks and demolition of several dangerous commercial and industrial buildings to reduce blight and physical hazards and allow the redevelopment of these properties.
82000044	Former Evans Products Ditch – Plymouth Industrial Holding 12795-12827 Premier Center Court Plymouth Township	Wayne	No	\$350,000	Proposed actions include an investigation and remediation of polychlorinated biphenyls and volatile organic compound contamination to protect public health and promote redevelopment.
	Total			\$13,705,000	

¹ The Storage Tank Information Database facility ID is provided in parentheses for Part 213 sites.

RRD FY04 PROPOSED CLEAN MICHIGAN INITIATIVE IMMINENT AND SUBSTANTIAL ENDANGERMENT PROJECTS
(County Order)

Site ID¹	Site name	County	New Site	Cost Estimate	Actions Needed
06000058 (50005162)	Roe Chevrolet 111 North Street Turner	Arenac	Yes	\$50,000	Proposed actions include underground storage tank removal and demolition of dangerous buildings to protect public health and the environment.
06000057	Arnold's Hardware Store Main and M-65 Twining	Arenac	Yes	\$60,000	Proposed actions include demolition of dangerous buildings and site assessment to protect public health and the environment.
06000056 (5-0005126)	Main Road, 3493 Sterling	Arenac	Yes	\$50,000	Proposed actions include underground storage tank removal to protect public health and the environment.
11000384 (00009972)	Dave's Shell 421 Front Street Buchanan	Berrien	Yes	\$150,000	Contaminant levels in soils exceed inhalation and direct contact criteria. Also, soil is saturated with petroleum fuel constituents. Proposed actions include defining the extent of soil and groundwater contamination, as well as evaluating and managing the acute risks.
15000103	East Jordan Chemical Plant Division and Sunset East Jordan	Charlevoix	Yes	\$400,000	The property was a wood chemical plant and foundry and is located on the shoreline of Lake Charlevoix. Proposed actions include an investigation and remedial actions needed to protect public health and the environment.
15000098	Riverside Park 602 Spring Street Boyne City	Charlevoix	Yes	\$250,000	This five-acre parcel was used as a disposal area for polychlorinated biphenyl oils. Remedial actions are proposed to address the contamination.
16000001	Center Tool & Machine 915 East Western Avenue Cheboygan	Cheboygan	Yes	\$400,000	Proposed actions include removal of a partially collapsed building, asbestos removal, and remediation of soil contaminated with lead, arsenic, and hexavalent chromium.
17000126	Premium Oil Bulk Plant 613 Ridge Street Sault Ste. Marie	Chippewa	Yes	\$175,000	This property was used as a petroleum bulk storage area and has historical releases. Proposed actions include removal of the existing tanks, building demolition, and determination of further actions needed to protect public health and the environment.

¹ The Storage Tank Information Database facility ID is provided in parentheses for Part 213 sites.

RRD FY04 PROPOSED CLEAN MICHIGAN INITIATIVE IMMINENT AND SUBSTANTIAL ENDANGERMENT PROJECTS
(County Order)

Site ID¹	Site name	County	New Site	Cost Estimate	Actions Needed
18000100 (50002750)	Bill Lewis 101 Lake George Street Lake George	Clare	Yes	\$50,000	Proposed actions include removal of five abandoned underground storage tanks to protect public health and the environment.
18000101 (00038456)	The Depot 362 North Main Street Lake George	Clare	Yes	\$50,000	Proposed actions include removal of three abandoned underground storage tanks to protect public health and the environment.
25000520 (00008353)	Odyssey House 1340 Detroit Street Flint	Genesee	Yes	\$75,000	Proposed actions include removal of abandoned underground storage tanks and site assessment.
25000386 (00017319)	Taber's Oil Company 1410 Martin Luther King Flint	Genesee	Yes	\$75,000	Proposed actions include removal of abandoned underground storage tanks and site assessment.
25000612 (00001977)	Bionic Starter and Alternator 5460 Lapeer Road Lapeer	Genesee	Yes	\$250,000	Groundwater contamination poses risks to public health and safety. There is the potential for explosive conditions in impacted basements and other nearby confined spaces. An investigation is proposed to delineate the dissolved phase plume and abate the threat to human health and safety.
26000067 (00004111)	Sportsmans Landing 5013 Middle Road Hope	Gladwin	Yes	\$50,000	Three underground storage tanks have been removed. Proposed actions include an investigation to determine any remaining threat to public health and the environment.
28000090 (00013478)	Scamehorn Shell 701 West Front Street Traverse City	Grand Traverse	Yes	\$100,000	Proposed actions include removal of extensive gasoline product from the groundwater. Sanitary sewers, storm sewers, and a neighboring property are threatened.
31000056	Tamarack City Stamp Mill M-26 Tamarack City	Houghton	Yes	\$200,000	Proposed actions include removal of debris and cleanup actions required to protect public health and the environment.

¹ The Storage Tank Information Database facility ID is provided in parentheses for Part 213 sites.

RRD FY04 PROPOSED CLEAN MICHIGAN INITIATIVE IMMINENT AND SUBSTANTIAL ENDANGERMENT PROJECTS
(County Order)

Site ID¹	Site name	County	New Site	Cost Estimate	Actions Needed
44000115 (50005231)	B & T Properties M24 and Castle Roads Deerfield Township	Lapeer	Yes	\$250,000	Contaminated soil and underground storage tanks were found during improvements to M-24. Proposed actions include removal of six underground storage tanks, soil removal, and a site assessment to protect public health and the environment.
59000155 (50002357)	1034 Howard City Edmore Road Edmore	Montcalm	No	\$100,000	Proposed actions include management of free phase petroleum product and removal of highly contaminated soils that threaten the aquifer used as the source of potable water for adjacent residents.
59000152 (50002369)	Former Beard Oil South Railroad and Center Street Six Lakes	Montcalm	No	\$250,000	Groundwater is contaminated and is the source of potable water for adjacent residents. Free phase petroleum product may also be present in the aquifer. Proposed actions include investigation of free product and removal of the source soil and free product, if present.
64000094 (50002733)	William Crawford Property 2220 East Main Street Ferry	Oceana	Yes	\$250,000	The property is an abandoned gas station with underground storage tanks. The building is unsafe and poses a threat to public health. Proposed actions include building demolition, underground storage tank removal, site assessment, and other remedial actions needed to protect public health and the environment.
73000583 (50005094)	Janes Street, 2984 Saginaw	Saginaw	Yes	\$50,000	Proposed actions include removal of five abandoned underground storage tanks to protect public health and the environment.
73000582 (50005096)	Janes Street, 3035 Saginaw	Saginaw	Yes	\$50,000	Proposed actions include an investigation to identify contamination from abandoned underground storage tanks.
75000086 (00005137)	Former Duff's Shell 216 East Michigan Three Rivers	St. Joseph	Yes	\$200,000	Free petroleum product has been identified on the site. Proposed actions include an investigation and other remedial actions needed to protect public health and the environment.
75000115	Former Essex Wire 618 Fourth Street Three Rivers	St. Joseph	Yes	\$1,000,000	The property was previously used by various heavy industries. Proposed actions include asbestos abatement and demolition of the buildings which have deteriorated from arson and heavy snows.

¹ The Storage Tank Information Database facility ID is provided in parentheses for Part 213 sites.

RRD FY04 PROPOSED CLEAN MICHIGAN INITIATIVE IMMINENT AND SUBSTANTIAL ENDANGERMENT PROJECTS
(County Order)

Site ID¹	Site name	County	New Site	Cost Estimate	Actions Needed
75000121	Park Township Dachthal (DCPA) Wilbur and Kipker Roads Three Rivers	St. Joseph	Yes	\$0	Residential drinking water wells are contaminated with DCPA in excess of the drinking water criterion. The area covers eight square miles. Proposed actions include municipal water connections for more than 150 residences. Funds will be transferred to this site from unexpended funds allocated to other sites.
79000130 (00008578)	Salmo Property 2504 West Sanilac Road Vassar	Tuscola	Yes	\$125,000	The property has abandoned underground storage tanks containing product. Also, a building has been severely damaged by fire. Proposed actions include building demolition, tank removal, and site assessment.
80000010	Belgravia (former Hamlin Overton) 125 Elkenburg Street South Haven	Van Buren	Yes	\$750,000	Proposed actions include source area remediation to address indoor inhalation concerns at the plant and the neighboring residential homes.
82001899	Chicago, 14301-14331 Detroit	Wayne	Yes	\$200,000	Proposed actions include demolition, an investigation, and other remedial actions to promote redevelopment.
82001891 (50005118)	Shoemaker 11031 Detroit	Wayne	Yes	\$2,000,000	The property has abandoned underground and aboveground storage tanks. There is extensive structural damage to on-site buildings. The extent of contamination is unknown. Proposed actions include building demolition, removal of tanks, remedial investigation, and other corrective actions needed to protect public health and the environment.
82001893 (50005261)	Third Street 13541 Highland Park	Wayne	Yes	\$65,000	Proposed actions include underground storage tank removal, demolition, and other remedial actions needed to protect public health and the environment.
82001761	Highland Park Hospital (Power Plant) 369 Glendale Highland Park	Wayne	Yes	\$625,000	Proposed actions include asbestos abatement, removal of 2,000 gallons of petroleum product, contaminated soil removal, and demolition of two buildings.
82001895	Longfellow, 2975 Detroit	Wayne	Yes	\$775,000	The building on this property is open and dangerous. Proposed actions include an investigation, demolition, and other remedial actions needed to address hazards.

¹ The Storage Tank Information Database facility ID is provided in parentheses for Part 213 sites.

RRD FY04 PROPOSED CLEAN MICHIGAN INITIATIVE IMMINENT AND SUBSTANTIAL ENDANGERMENT PROJECTS
(County Order)

Site ID¹	Site name	County	New Site	Cost Estimate	Actions Needed
82001897	Sproat, 110 & 124 Detroit	Wayne	Yes	\$785,000	Proposed actions include demolition, an investigation, and other cleanup actions needed to address hazards.
82001898	Wolverine Auto Supply 14501-14799 Meyers Detroit	Wayne	Yes	\$1,000,000	Proposed actions include demolition, an investigation, and other cleanup actions needed to address hazards.
	Total			\$10,860,000	

¹ The Storage Tank Information Database facility ID is provided in parentheses for Part 213 sites.